

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF HENDERSON COUNTY)	
WATER DISTRICT FOR (1) ISSUANCE OF)	
CERTIFICATE OF CONVENIENCE AND)	CASE NO.
NECESSITY; (2) AUTHORIZATION TO BORROW)	99-388
FUNDS AND TO ISSUE ITS EVIDENCE OF)	
INDEBTEDNESS THEREFOR; AND (3))	
AUTHORITY TO ADJUST RATES)	

ORDER

On May 8, 2000, Henderson County Water District ("Henderson District") filed its application for Commission approval of proposed water rates. Commission Staff, having performed a limited financial review of Henderson District's operations, has prepared the attached Staff Report containing Staff's findings and recommendations regarding the proposed rates. All parties should review the report carefully and provide any written comments or requests for a hearing or informal conference no later than 10 days from the date of this Order.

IT IS THEREFORE ORDERED that:

1. All parties shall, no later than 10 days from the date of this Order, submit their written comments on the attached Staff Report or request for a hearing or informal conference. If Henderson District wishes to amend its application to reflect the additional rates found justified by Commission Staff, it shall submit such amendment when filing its comments.

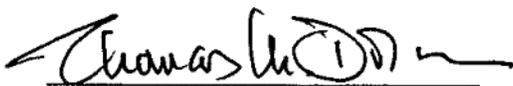
2. If Henderson District should choose to amend its application to reflect rates that differ from those in its application, it shall notify its customers of the amended rate proposal in accordance with 807 KAR 5:001, Section 10.

3. If no comment, request for hearing, or request for an informal conference is received within 10 days from the date of this Order, the parties shall be deemed to have accepted Staff's recommendations and this case shall stand submitted to the Commission for decision.

Done at Frankfort, Kentucky, this 19th day of September, 2000.

By the Commission

ATTEST:


Executive Director

STAFF REPORT
ON
HENDERSON COUNTY WATER DISTRICT
CASE NO. 1999-388

On April 19, 2000, the Public Service Commission ("Commission") received an application from Henderson County Water District ("Henderson District") requesting Commission authorization to construct certain system improvements, issue long-term debt, adjust rates for water service, and adjust certain nonrecurring charges. The application was considered filed on May 8, 2000, when all deficiencies were cured. On May 31, 2000, the Commission issued an interim order granting approval of the construction and financing; however, the request for rate adjustment was continued until further review could be performed.

In order to review the requested rates Commission Staff ("Staff") performed a limited financial review of Henderson District's test year operations. The scope of Staff's review was limited to obtaining information as to whether the test period operating revenues and expenses were representative of normal operation. Insignificant or immaterial discrepancies were not pursued and are not addressed herein. Henderson District used the twelve months ending August 31, 1999, as the test year in its application.

Henderson District's pro forma operating income statement is included in this report as Attachment A. It shows normalized operating revenues from rates to be \$1,662,332. Henderson District's proposed rates would increase normalized operating revenues by \$97,547 to \$1,759,879.

Staff's pro forma operating income statement and explanation of adjustments thereto are shown in Attachment B of this report. Based on Staff's revenue requirement calculation, Henderson District could have justified operating revenues from rates of \$2,061,263 or additional revenue of \$354,272. However, Staff recommends that Henderson District's requested revenue increase of \$97,547 be granted since it will produce revenues sufficient to pay the immediate annual debt payments and pro forma cash expenses as delineated in Attachment B. If Henderson District decides to amend its application to request additional revenue of \$354,272, it should do so when responding to this report. In that event, renote to its customers would be required.

A comparison of Henderson District's and Staff's revenue requirement calculations is shown in Attachment C. The rates listed in Sheet 8 of Attachment E will produce additional annual revenue of \$97,547 and should be approved by this Commission. The recommended rates were determined using the cost of service study shown in Attachment E as discussed in Attachment D.

Henderson District filed a new tariff and proposed to establish certain non-recurring charges and increase several existing charges. Henderson District provided cost justification to support the proposed non-recurring charges and Staff recommends that the proposed non-recurring charges be accepted upon completion of this case. The nonrecurring charges are shown on Sheet 9 of Attachment E. Staff also recommends that Henderson District's revised tariff be approved at the conclusion of this case with the following revisions: 1) Henderson District should file a new rate schedule setting out the rates approved by the Commission; 2) Henderson District should amend Section O (3) as follows: Late Payment Penalty: Shall be assessed on the delinquent amount of

the bill, less taxes, in accordance with 807 KAR 5:006, Section 8(3)(h); and 3) Henderson District should amend Section S (1) as follows: The utility may refuse to perform the test if said meter was tested within the prior twelve (12) months at the request of the customer.

Renee Curry is responsible for all revenue adjustments, the calculation of the recommended rates, and the cost of service study. Scott Lawless is responsible for the determination of the revenue requirement.

Staff anticipates that the recommended rates will generate sufficient revenues to allow the utility to meet all its cash operating expenses and annual debt service requirements for the next three years. At the end of this three-year period, staff will perform a limited review of the utility's operations and notify the utility and Commission of any adjustments deemed necessary to ensure that the utility's rates remain adequate. As part of that review, the utility may be required to file additional information.

The utility should notify the Commission in writing if during this three-year period, and prior to the limited review, the revenues generated by the recommended rates become inadequate to meet its cash operating expenses and annual debt service requirements.

Signatures

Prepared by: Jack Scott Lawless, CPA
Financial Analyst, Water and Sewer
Revenue Requirements Branch
Division of Financial Analysis

Prepared by: Renee Curry
Rate Analyst, Communications, Water,
and Sewer Rate Design Branch
Division of Financial Analysis

ATTACHMENT A
STAFF REPORT CASE NO. 1999-388
HENDERSON DISTRICT'S REQUESTED OPERATIONS

	Test Year	Adjustments	Pro forma
Operating Revenues			
Sales of Water	1,601,325	61,007	1,662,332
Other Operating Revenue	52,700	1,972	54,672
Total Operating Revenues	1,654,025	62,979	1,717,004
Operating Expenses			
Operation and Maintenance Expenses			
Salaries and Wages Employees	236,228	15,313	251,541
Salaries and Wages Officers	5,750		5,750
Employee Pensions and Benefits	60,795	10,024	70,819
Purchased Water	564,275	21,611	585,886
Fuel for Power Production	26,883		26,883
Materials and Supplies	70,406		70,406
Contractual Services - Legal	1,436		1,436
Contractual Services - Other	16,848		16,848
Transportation Expenses	19,479		19,479
Insurance - Worker's Compensation	5,823		5,823
Insurance - Other	22,728		22,728
Bad Debt Expense	12,845		12,845
Amortization of Rate Case Expenses		15,000	15,000
Miscellaneous Expense	15,971		15,971
Total Operation and Maintenance Expenses	1,059,467	61,948	1,121,415
Depreciation Expense	277,914	66,838	344,752
Loan Servicing Fees	1,636	(88)	1,548
Amortization of Bond Issuance Costs	24,164	4,491	28,655
Taxes Other Than Income Taxes	21,129	803	21,932
Total Operating Expenses	1,384,310	133,992	1,518,302
Net Operating Income	269,715	(71,013)	198,702
Plus: Interest Income	75,908		75,908
Income Available to Service Debt	345,623	(71,013)	274,610

ATTACHMENT B
STAFF REPORT CASE NO. 1999-388
STAFF'S RECOMMENDED OPERATIONS

	Test Year	Adjustments	Ref.	Pro forma
Operating Revenues				
Sales of Water	1,601,325	105,666	A	1,706,991
Other Operating Revenue	52,700			52,700
Total Operating Revenues	1,654,025	105,666		1,759,691
Operating Expenses				
Operation and Maintenance Expenses				
Salaries and Wages Employees	236,228	15,313	B	251,541
Salaries and Wages Officers	5,750			5,750
Employee Pensions and Benefits	60,795	(13,683)	C	47,112
Purchased Water	564,275	21,611	D	585,886
Fuel for Power Production	26,883			26,883
Materials and Supplies	70,406			70,406
Contractual Services - Legal	1,436			1,436
Contractual Services - Other	16,848			16,848
Transportation Expenses	19,479			19,479
Insurance - Worker's Compensation	5,823			5,823
Insurance - Other	22,728			22,728
Bad Debt Expense	12,845			12,845
Amortization of Rate Case Expenses			E	-
Miscellaneous Expense	15,971	(1,176)	F	14,795
Total Operation and Maintenance Expenses	1,059,467	22,065		1,081,532
Depreciation Expense	277,914	66,838	G	344,752
Loan Servicing Fees	1,636			1,636
Amortization of Bond Issuance Costs	24,164	(24,164)	H	-
Taxes Other Than Income Taxes	21,129	803	B	21,932
Total Operating Expenses	1,384,310	65,542		1,449,852
Net Operating Income	269,715	40,124		309,839
Plus: Interest Income	75,908			75,908
Income Available to Service Debt	345,623	40,124		385,747

ATTACHMENT B
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STAFF'S RECOMMENDED OPERATIONS

A) Water Sales. Henderson District's application showed test year revenue from water sales in the amount of \$1,601,325 and total operating revenue of \$1,654,025. Staff's billing analysis showed total revenue from water sales for the test year ending August 31, 1999 as \$1,641,106. Staff normalized gallons sold to reflect Henderson District's increase of 218 customers (93 additional and 125 projected). For the purposes of this report, Henderson District's normalized revenue from water sales is \$1,706,991¹ and its total normalized operating revenue is \$1,759,691.

B) Salaries and Wages – Employees and Taxes Other Than Income Taxes. Henderson District proposed to increase test year expenses by \$15,313 to reflect current employee and salary levels. Staff agrees with the adjustment and recommends that it be accepted. Staff also agrees with the corresponding payroll tax adjustment of \$803.

C) Employee Pensions and Benefits. Henderson District proposed to increase test year expenses by \$10,024 to account for changes in health insurance premiums and pension contributions. Staff agrees in theory with the adjustment but has calculated an adjustment decrease of \$13,683. The difference in the two adjustments results from Staff recommending that the District recover an amount equal to the premium for a single health insurance plan for each eligible employee. Henderson District's adjustment includes many family plan premiums. Henderson District informed Staff that the family

¹ Test year revenue from sales per billing analysis = \$1,641,106.
207 new 5/8 x 3/4 inch connections x \$23.514 (average bill) x 12 months = \$58,408.
9 new 1 inch connections x \$60.96 (average bill) x 12 months = \$6,584.
1 new 2 inch connection x \$74.40 (average bill) x 12 months = \$893.
Normalized revenue from water sales = \$1,641,106 + \$58,408 + \$6,584 + \$893=\$1,706,991.

ATTACHMENT B
STAFF REPORT CASE NO. 1999-388
STAFF'S RECOMMENDED OPERATIONS

health insurance premiums were not paid in lieu of additional salaries and wages. Based on this, Commission Staff recommends that Henderson District's adjustment be denied and test year expenses be decreased by \$13,683.

D) Purchased Water. Henderson District proposed to increase test year expenses by \$21,611 to account for additional purchases required by the customers to be added from the proposed construction. Staff agrees with the adjustment and recommends that it be accepted.

E) Amortization of Rate Case Expenses. Henderson District proposed to include rate case amortization expense in pro forma operations. The rate case expenses referred to were incurred as a result of this case, Case No. 99-388. These costs will be funded through the issuance of long-term debt. It is Staff's opinion that these costs should not then be funded directly through rates as to do so would create a double recovery. Staff recommends that the proposed adjustment be denied.

F) Miscellaneous Expenses. Included in test year operating expenses was \$1,176 that should have been recorded in account 426-Miscellaneous Nonutility Expenses. This amount was expended for Thanksgiving turkeys, Christmas hams, and employee dinners. Staff has eliminated these expenses from test year operating expenses.

G) Depreciation. Henderson District proposed to increase test year depreciation by \$66,838. Its adjustment consisted of a full year depreciation taken on plant additions placed into service during the test year and the capital expenditures proposed in this case. Staff agrees with the proposed adjustment and recommends that it be accepted.

ATTACHMENT B
STAFF REPORT CASE NO. 1999-388
STAFF'S RECOMMENDED OPERATIONS

H) Bond Issuance Costs. Henderson District included bond issuance costs as a revenue requirement. These costs are financed through long-term debt and should therefore not be financed directly through rates. Staff recommends that the amortization of bond issuance costs be disallowed in this case.

ATTACHMENT C
 STAFF REPORT CASE NO. 1999-388
 COMPARISON OF HENDERSON DISTRICT'S AND STAFF'S REVENUE
 REQUIREMENT CALCULATIONS

Pro forma Operating Expenses	1,518,302	1,449,852	(68,450)
Less: Depreciation	(344,752)	-	344,752
Customer Deposit Interest	625	625	-
Bank Loan ¹	5,689	14,470	8,781
KIA Loans ¹	38,755	84,733	45,978
Debt Service Requirement for Bonds	640,192	640,192	-
Margin in Excess of Debt Coverage	<u>34,872</u>	<u>-</u>	<u>(34,872)</u>
Total Revenue Requirement	1,893,683	2,189,872	296,189
Less: Other Operating Revenue	(57,896)	(52,700)	5,196
Interest Income	<u>(75,908)</u>	<u>(75,908)</u>	<u>-</u>
Revenue Required from Rates	1,759,879	2,061,264	301,386
Less: Pro forma present rate revenue	<u>(1,662,332)</u>	<u>(1,706,991)</u>	<u>(44,659)</u>
Required Revenue Increase	<u><u>97,547</u></u>	<u><u>354,273</u></u>	<u><u>256,727</u></u>

1 Henderson District's requirement includes interest only while Staff includes principal and interest.

ATTACHMENT D
STAFF REPORT CASE NO. 1999-388
STAFF'S DISCUSSIONS ON THE
COST OF SERVICE STUDY

Current Rate Design. Henderson District's current rate design is a 4-step declining block schedule with usage increments of 2,000 gallons, 8,000 gallons, 20,000 gallons, and over 30,000 gallons. Henderson District also has a flat minimum charge for the fire department. Henderson District proposed to increase the minimum bill for the 5/8 inch by 3 /4 inch connection 12.02% and the remaining rate steps an average of 2.62%.

Henderson District filed a cost of service study with its application but did not base its proposed rates on the results of the study. Commission Staff prepared a cost of service study for Henderson District and has attached this study as Attachment E.

Staff has used the commodity demand methodology as set out in the American Water Works Association's ("AWWA") Manual M-1 in preparing the cost of service for Henderson District's retail customers. This study recognizes that a utility must be prepared for meeting peak demand requirements as well as average water use needs. In other words, a system must be sized to meet the demand of the residential customers who tend to place a larger peak demand on the system than very large customers. The large consumers use water throughout the day and night and generally place a smaller peak demand on the system than residential customers who use water for a few hours each day.

The commodity demand method allocates costs into either commodity, demand or customer functions. Commodity costs are those costs that vary directly with the quantity of water produced such as chemical, purchased water, and purchased power. Demand costs are associated with providing facilities to meet the peak demands placed

ATTACHMENT D
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STAFF'S DISCUSSIONS ON THE
COST OF SERVICE STUDY

on the system. These costs include transmission and distribution costs. Customer costs are those costs associated with serving the customers regardless of the amount of water used. These costs include meter reading and billing and collecting.

Allocation of plant value, shown at Sheet 1, allocates plant value into demand or customer components. No plant value is allocated to commodity since the value does not change with the amount of produced water. Sheet 2 shows allocation of depreciation. Sheet 3 shows the allocation of expenses to the functional cost components. Administrative and general expenses are allocated to the cost components based on the subtotal of all other expenses, excluding commodity costs. Depreciation expense is based on the percentages shown in Sheet 2 and has been reduced \$256,726 from \$344,752 to \$88,026 to achieve the utility requested increase. Debt Service is based on the allocation of plant value as shown on Sheet 1.

Once operating and maintenance expense has been allocated, all other expenses and income must be allocated to the functional categories. Sheet 4 is the allocation of expenses and other revenue. Sheet 4 shows that \$612,769 should be collected from the commodity category, \$1,003,673 from the demand category, and \$188,096 from the customer category.

Based upon the aforementioned allocation of expenses, the rates produced (Sheet 5) are \$10.93 for the first 2,000 gallons; \$3.94 per 1,000 gallons for the next 8,000 gallons; \$3.48 per 1,000 gallons for the next 20,000 gallons; and \$2.98 per 1,000 gallons for all usage in excess of 30,000 gallons. Sheet 6 is a verification schedule showing that the rates produced by the cost of service study will in fact produce the

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STAFF'S DISCUSSIONS ON THE
COST OF SERVICE STUDY

correct amount of revenue. Sheet 7 is the comparison of Henderson District's current rates and the cost of service rates. Sheets 8 and 9 show Staff's recommended rates.

ATTACHMENT E
STAFF REPORT CASE NO. 1999-388

Henderson County Water District
Cost of Service

Allocation of Plant Value	Sheet 1
Allocation of Depreciation	Sheet 2
Allocation of O/M Expenses	Sheet 3
Allocation of Cost of Service	Sheet 4
Calculation of Water Rates	Sheet 5
Verification of Rates	Sheet 6
Comparison of Rates	Sheet 7
Recommended Rates	Sheet 8 - 9

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ALLOCATION OF PLANT VALUE

Henderson County Water District

	Total	Commodity	Demand	Customer
Pumping Plant	\$214,540		\$214,540	
Transmission & Distribution				
Mains	8,385,339		8,385,339	
Services	315,138			315,138
Meters	711,505			711,505
Hydrants	96,468			96,468
Subtotal	\$9,722,990		\$8,599,879	\$1,123,111
Allocation Percentages	100%		88.45%	11.55%
General Plant	\$566,140		\$500,751	\$65,389
Total	\$10,289,130		\$9,100,630	\$1,188,500
Percentages	100%		88.45%	11.55%

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ALLOCATION OF DEPRECIATION

Henderson County Water District

	Total	Commodity	Demand	Customer
Structures & Improvements	\$6,958		\$6,958	
Pumping Equipment	7,785		7,785	
Trans/Dist. Mains	204,493		204,493	
Services	12,013			12,013
Meters	69,508			69,508
Hydrants	3,076			3,076
Subtotal	\$303,833		\$219,236	\$84,597
Allocation Percentages	100%		72.16%	27.84%
Office Furniture & Equipment	\$7,315		\$5,279	\$2,036
Other Plant & Misc. Equipment	34,803		25,114	9,689
Total	\$345,951		\$249,629	\$96,322
Percentages	100%		72.16%	27.84%

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ALLOCATION OF OPERATION AND MAINTENANCE EXPENSES				
Henderson County Water District				
	Total	Commodity	Demand	Customer
Salaries and Wages				
Transmission & Distribution	113,020		113,020	
Customer Accounts	55,171			55,171
Employee Pensions and Benefits				
Transmission & Distribution	23,650		23,650	
Customer Accounts	11,542			11,542
Purchased Water	585,886	585,886		
Fuel for Power Production	26,883	26,883		
Bad Debt Expense	12,845			12,845
Subtotal	\$828,997	\$612,769	\$136,670	\$79,558
Less Commodity	(612,769)			
Total	\$216,228		\$136,670	\$79,558
Allocation Percentages	100.00%		63.21%	36.79%
Administrative & General				
Salaries & Wages-Employees	83,350		52,686	30,664
Salaries & Wages-Officers	5,750		3,635	2,115
Employee Pensions & Benefits	11,920		7,535	4,385
Materials & Supplies	70,406		44,504	25,902
Contractual Services-Legal	1,436		908	528
Contractual Services-Other	16,848		10,650	6,198
Transportation Expenses	19,479		12,313	7,166
Insurance - Worker's Comp	5,823		3,681	2,142
Insurance - Other	22,728		14,366	8,362
Miscellaneous Expense	14,795		9,352	5,443
Subtotal Operation & Maintenance	\$1,081,532	\$612,769	\$296,300	\$172,463
Taxes other than income	\$21,932		\$13,863	\$8,069
Loan Servicing Fees	\$1,636		\$1,034	\$602
Customer Deposit Interest*	\$625			\$625
Bank Loan	\$14,470		\$9,146	\$5,324
KIA Loans	\$84,733		\$53,560	\$31,173
Total Operating & Maintenance	\$1,204,928	\$612,769	\$373,903	\$218,256
Depreciation**(1)	\$88,026		\$63,520	\$24,506
Debt Service Coverage(2)	\$640,192		\$566,250	\$73,942
Total Revenue Required	\$1,933,146	\$612,769	\$1,003,673	\$316,704

*Allocated all to customer.

**Depreciation reduced \$256,726 to achieve utility requested increase.

(1) Depreciation based on percentages at sheet 2.

(2) Debt Service based on plant value percentages.

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Allocation of Cost of Service

Henderson County Water District

	Total	Commodity	Demand	Customer
Operation and Maintenance	\$1,204,928	\$612,769	\$373,903	\$218,256
Depreciation	88,026		63,520	24,506
Debt Service	640,192		566,250	73,942
General Water Service Cost	\$1,933,146	\$612,769	\$1,003,673	\$316,704
Less: Other Operating Revenue	(52,700)			(52,700)
Less: Interest Income	(75,908)			(75,908)
Revenue Required from Rates	\$1,804,538	\$612,769	\$1,003,673	\$188,096

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CALCULATION OF WATER RATES
Henderson County Water District

	Total	First 2,000	Next 8,000	Next 20,000	Over 30,000
Actual Water Sales:					
Thousand Gallons	405,108,294	125,426,525	215,044,073	38,267,684	26,370,012
	100.00%	30.96%	53.08%	9.45%	6.51%
Weighted Sales for Demand:					
Thousand Gallons	685,474,920	250,853,050	356,973,161	51,278,697	26,370,012
Percent	100.01%	36.60%	52.08%	7.48%	3.85%
Allocation of Volumetric Costs:					
Commodity	\$612,769	\$189,713	\$325,258	\$57,907	\$39,891
Demand	1,003,673	367,344	522,713	75,075	38,641
Customer	188,096	188,096			
Total	\$1,804,538	\$745,153	\$847,971	\$132,982	\$78,532
Number of Bills		68,177			
Proposed Rates		\$10.93	\$3.94	\$3.48	\$2.98

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VERIFICATION OF RATES				
Henderson County Water District				
	Bills	Gallons	Rate	Revenue
5/8 Inch x 3/4 Inch Meter				
First 2,000 gallons	66,667	122,426,525	\$10.90	\$726,670
Next 8,000 gallons		207,331,218	3.90	808,592
Next 20,000 gallons		31,791,154	3.48	110,633
Over 30,000 gallons		14,644,391	2.98	43,640
1 Inch Meter				
First 5,000 gallons	1,189	5,224,323	\$22.60	26,871
Next 5,000 gallons		3,282,863	3.90	12,803
Next 20,000 gallons		3,675,465	3.48	12,791
Over 30,000 gallons		6,861,986	2.98	20,449
2 Inch Meter				
First 16,000 gallons	251	2,397,669	\$62.98	15,808
Next 14,000 gallons		852,980	3.48	2,968
Over 30,000 gallons		1,733,523	2.98	5,166
3 Inch Meter				
First 30,000 gallons	12	316,085	\$111.70	1,340
Over 30,000 gallons		172,600	2.98	514
4 Inch Meter				
First 50,000 gallons	36	1,561,971	\$171.30	6,167
Over 50,000 gallons		2,298,541	2.98	6,850
6 Inch Meter				
First 100,000 gallons	12	537,000	\$320.30	3,844
Over 100,000 gallons		0	2.98	0
Fire Department	12	283,697	\$10.90	\$130.80
Subtotal				\$1,805,237
Other Income				52,700
Interest Income				75,908
Total Revenue				\$1,933,845

Note: First 2,000 gallons reduced \$0.03 and Next 8,000 gallons reduced \$0.04 to obtain revenue requirement.

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COMPARISON OF RATES
Henderson County Water District

Gallon Usage	Current Rates	Cost of Service Rates	Increase	Percentage
1000	\$9.82	\$10.90	\$1.08	11.00%
2000	9.82	10.90	\$1.08	11.00%
3000	13.58	14.80	\$1.22	8.98%
4000	17.34	18.70	\$1.36	7.84%
5000	21.10	22.60	\$1.50	7.11%
6000	24.86	26.50	\$1.64	6.60%
7000	28.62	30.40	\$1.78	6.22%
8000	32.38	34.30	\$1.92	5.93%
9000	36.14	38.20	\$2.06	5.70%
10000	39.90	42.10	\$2.20	5.51%
15000	57.40	59.50	\$2.10	3.66%
20000	74.90	76.90	\$2.00	2.67%
25000	92.40	94.30	\$1.90	2.06%
30000	109.90	111.70	\$1.80	1.64%
35000	125.45	126.60	\$1.15	0.92%
50000	172.10	171.30	-\$0.80	-0.46%
75000	249.85	245.80	-\$4.05	-1.62%
100000	327.60	320.30	-\$7.30	-2.23%
200000	638.60	618.30	-\$20.30	-3.18%

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Henderson County Water District
Staff Recommended Rates

Monthly Water Rates

5/8 Inch x 3/4 Inch Meter

First	2,000 gallons	\$10.90	Minimum bill
Next	8,000 gallons	3.90	per 1,000 gallons
Next	20,000 gallons	3.4750304	per 1,000 gallons
Over	30,000 gallons	2.98	per 1,000 gallons

1 Inch Meter

First	5,000 gallons	\$22.60	Minimum bill
Next	5,000 gallons	3.90	per 1,000 gallons
Next	20,000 gallons	3.48	per 1,000 gallons
Over	30,000 gallons	2.98	per 1,000 gallons

2 Inch Meter

First	16,000 gallons	\$62.95	Minimum bill
Next	14,000 gallons	3.48	per 1,000 gallons
Over	30,000 gallons	2.98	per 1,000 gallons

3 Inch Meter

First	30,000 gallons	\$111.60	Minimum bill
Over	30,000 gallons	2.98	per 1,000 gallons

4 Inch Meter

First	50,000 gallons	\$171.16	Minimum bill
Over	50,000 gallons	2.98	per 1,000 gallons

6 Inch Meter

First	100,000 gallons	\$320.07	Minimum bill
Over	100,000 gallons	2.98	per 1,000 gallons

Fire Department	\$10.90	Per Month
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ATTACHMENT E
STAFF REPORT CASE NO. 1999-388

Henderson County Water District
Staff Recommended Rates

Non-Recurring Charges

Meter Connection/Tap-on Charges	
5/8 Inch x 3 /4 Inch	\$475.00
All Larger Meters	Actual Cost
Connection/Turn-on Charge	25.00
Connection/Turn-on Charge-after hours	40.00
Field Collection Charge	25.00
Late Payment Penalty	10%
Meter Relocation Charge	Actual Cost
Meter Re-read Charge	25.00
Meter Test Charge	50.00
Re-connection Charge	50.00
Re-connection Charge-after hours	65.00
Returned Check Charge	20.00
Service Call/Investigation	25.00
Service Call/Investigation-after hours	40.00
Service Line Inspection	40.00